

30 January 2025

**Vianet Group plc
Trading Update**

VIANET the international provider of actionable data, business insights, and payment solutions through an integrated ecosystem of connected hardware devices, software platforms and smart insights portals provides the following trading update on the nine months to 31 December 2024.

During the period, the Group displayed a strong performance, achieving consistent margins and increased recurring revenue growth by securing valuable long-term contracts. This success reflected the effectiveness of our strategic initiatives and robust market positioning.

Notwithstanding this, it has become increasingly evident that the general economic uncertainty and shifts in the economic landscape have impacted several contracts during the conversion phase. This has resulted in a different mix of orders and products and some delays in contract completions and pipeline conversion.

We have seen clients in the unattended retail division increasingly lean towards rental models, rather than upfront payments for capex. Whilst this gives us greater visibility and smoother earnings, it is having a short term impact on revenues over the period.

Recent decisions in the UK budget have further exacerbated these challenges, forcing our clients in hospitality and unattended retail to take time to understand the cost impacts and reassess their Capex and Opex budgets; this shift has contributed to delays in contract finalisations in the last quarter of the fiscal year. The Board now expects revenue for FY25 to be approximately £15.7million (FY24 £15.2m) and EBITA to be approximately £3.6million (FY24 £3.5m).

Following a comprehensive review, the Board remains optimistic about year-on-year growth for FY25 across the Group, with many KPI's being ahead of last year's performance, especially cash management and recurring revenue. Despite these short-term challenges, the Group is steadfast in its commitment to its long-term strategy and we are confident in our ability to achieve sustained growth moving forward.

	FY25 FC ^(a)	FY24 Actual	Variance
Revenue	£15.7m	£15.2m	3.2%
Recurring revenue	85%	85%	
Gross Margin	68%	69%	
EBITA	£3.6m	£3.5m	5.1%
Net Debt ^(b)	£0.4m*	£1.5m	
Hospitality Revenue (excl. USA)	£9.2m	£8.5m	8.1%
Hospitality EBITA (excl. USA)	£4.8m	£4.3m	10.4%
Unattended Retail Revenue	£6.3m	£6.5m	(3.9%)
Unattended Retail EBITA	£2.1m	£2.5m	(14.2%)
Unattended Retail Devices	9,733	8,900	9.3%
- Of which 3G Replacement	2,410	1,746	38%
- Of which rental	3,953	1,803	219%

Note:

a) Company's revised FY forecast estimate post December results.

b) Net debt of £0.4m in FY25 FC is actual net debt on 31 December 2024 post £310k of funding for share buyback.

Unattended Retail

Driven by customers reassessing their Capex and Opex budgets following the UK Budget in October, December and January saw a 219% increase in anticipated H2 rental sales, as many customers opted for rentals over upfront Capex investments. While this shift reflects current economic challenges and impacts margins in the short term, the total number of units placed in the market grew strongly, aligning with management's expectations. Furthermore, the transition towards rental agreements also

with management's expectations. Furthermore, the transition towards rental agreements also strategically enhances the Group's long-term recurring revenues, which remain a top priority. We are pleased to see continued growth in recurring income, bolstered by successful contract extensions with existing customers and an expanded footprint with valued new clients like Lucozade. Our strong contract security, combined with increased investments in our commercial team, positions the Group well for FY2026 and beyond.

The anticipated 3G network shutdown, initially planned for December 2024 and completed by Vodafone and EE, is now expected to extend into late 2025 due to delays from Three and O2. This has driven increased urgency from both new and existing customers, resulting in a 30% rise in new sales during the second half of the year compared to the first half.

VIANET Americas

The inroads that we are making into the US market are proving to be highly positive, as our key pilot projects are yielding encouraging outcomes for our customers, demonstrating significant improvement across sales, cost savings, quality and productivity. Notwithstanding this, our US operations are projected to experience a loss of approximately £430K, in contrast to the initially forecast profit of £170K, due primarily to delays in converting these successful pilot projects into long-term commercial frameworks. Encouragingly these positive pilot results have sparked extensive discussions about enterprise-wide integrated solutions, underscoring a growing interest in our offerings, albeit with typically longer lead times for implementation. Consequently, the Board remains confident of securing long-term contracts and in the potential for substantial future revenue, whilst recognising the uncertainty surrounding the exact timing.

UK Hospitality

Our investment in technology and collaboration with The Oxford Partnership has led to an agreement with a major brewing client. Our innovative draught beer monitoring solution will be rolled out across the UK, providing valuable insights into key brands and enabling the brewer to monitor performance effectively. This agreement highlights Vianet's strategic solutions, enhances our market share and strengthens our partnership with The Oxford Partnership.

The rollout, starting this financial quarter and continuing over the next year, includes new installations of the Beverage Metrics monitoring solution, which will expand our UK footprint by 5% within 18 months. This marks a significant step in our growth within the hospitality sector, extending beyond the Leased & Tenanted market.

Cash management

Our healthy cash generation and proactive cash management strategies allow us to maintain flexibility. The Board will continue to review investment opportunities, alongside maintaining our dividend and pursuing our share buyback programme where appropriate, to maximise shareholder value.

This announcement contains inside information.

- Ends -

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About Vianet

Vianet Group is a leading provider of actionable management information and business insight created through combining data from our smart Internet of Things ('IoT') solutions and external information sources.

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Since Admission to AIM in 2006, the Group has grown from its core beer monitoring business both organically and through strategic acquisitions to widen its offering and develop new businesses, especially in vending telemetry and contactless payment solutions particularly for the premium coffee sector.

Servicing over three hundred customers across the world and rendering live data to our IOT platform from over 250,000 connected machines daily, Vianet is one of the largest business to business (b2b) connected solutions providers in Europe with established long-term relationships with blue chip customers and growing recurring revenues which are over 85% of our total revenues.

In our **Smart Machines** division, we connect a single data gathering device with its own on-board communication capability to a customer's asset or system. The device then sends data back via our IOT platform to cloud based servers. The technology was originally developed for automated retailing machines; however, the flexibility and functionality of the device means the technology can be applied to any machine which has the capability to output data. The device is also used to connect our contactless payment solution and communicate payment terms to our cloud-based payment services providers where that application is also required.

The **Smart Zones** division is where we connect multiple data gathering devices into one or more systems or assets with the data from those devices being communicated back to our IOT platform and cloud-based servers via a single 3G communications hub. The technology was originally developed for flow monitoring devices, temperature sensors, and asset management in drinks retailing but any data gathering device with a digital output could be connected to the communications hub where required such as gaming machines, utilities management and EPOS.

For further information, please visit www.Vianetplc.com

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